



General Assembly

February Session, 2000

Amendment

LCO No. 5389

Offered by:

REP. EBERLE, 15th Dist.

To: Subst. Senate Bill No. 239 File No. 314 Cal. No. 540
(As Amended by Senate Amendment Schedule "A")

***"An Act Concerning The Use Of Tobacco Settlement
Funds For Biomedical Research."***

1 Strike out everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 26 of public act 99-2 of the June special session is
4 repealed and the following is substituted in lieu thereof:

5 (a) There is created a Tobacco Settlement Fund which shall be a
6 separate nonlapsing fund. Any funds received by the state from the
7 Master Settlement Agreement executed November 23, 1998, shall be
8 deposited into the fund.

9 (b) (1) The Treasurer is authorized to invest all or any part of the
10 Tobacco Settlement Fund, [and] all or any part of the Tobacco and
11 Health Trust Fund created in section 27 of [this act] public act 99-2 of
12 the June special session, as amended by this act, and all or any part of
13 the Biomedical Research Trust Fund created in section 4 of this act. The
14 interest derived from any such investment shall be credited to the

15 resources of the fund from which the investment was made.

16 (2) Notwithstanding sections 3-13 to 3-13h, inclusive, as amended,
17 the Treasurer shall invest the amounts on deposit in the Tobacco
18 Settlement Fund, the Tobacco and Health Trust Fund and the
19 Biomedical Research Trust Fund in a manner reasonable and
20 appropriate to achieve the objectives of such funds, exercising the
21 discretion and care of a prudent person in similar circumstances with
22 similar objectives. The Treasurer shall give due consideration to rate of
23 return, risk, term or maturity, diversification of the total portfolio
24 within such funds, liquidity, the projected disbursements and
25 expenditures, and the expected payments, deposits, contributions and
26 gifts to be received. The Treasurer shall not be required to invest such
27 funds directly in obligations of the state or any political subdivision of
28 the state or in any investment or other fund administered by the
29 Treasurer. The assets of such funds shall be continuously invested and
30 reinvested in a manner consistent with the objectives of such funds
31 until disbursed in accordance with this section, section 27 of public act
32 99-2 of the June special session, as amended by this act, or section 4 of
33 this act.

34 (c) (1) For the fiscal years ending June 30, 2000, and June 30, 2001,
35 annual disbursements from the Tobacco Settlement Fund shall be
36 made as follows: [(1) First to] (A) To the General Fund in the amount
37 identified as "Transfer from Tobacco Settlement Fund" in the General
38 Fund revenue schedule adopted by the General Assembly; and [(2)
39 second] (B) to the Tobacco and Health Trust Fund in an amount equal
40 to twenty million dollars.

41 (2) For the fiscal year ending June 30, 2002, and each fiscal year
42 thereafter, disbursements from the Tobacco Settlement Fund shall be
43 made as follows: (A) To the Tobacco and Health Trust Fund in an
44 amount equal to twelve million dollars; (B) to the Biomedical Research
45 Trust Fund in an amount equal to four million dollars; (C) to the
46 General Fund in the amount identified as "Transfer from Tobacco
47 Settlement Fund" in the General Fund revenue schedule adopted by

48 the General Assembly; and (D) any remainder to the Tobacco and
49 Health Trust Fund.

50 [(d) Notwithstanding the provisions of subdivision (2) of subsection
51 (c) of this section, for]

52 (d) For the fiscal year ending June 30, 2000, five million dollars shall
53 be disbursed from the Tobacco Settlement Fund to a tobacco grant
54 account to be established in the Office of Policy and Management.
55 Such funds shall not lapse on June 30, 2000, and shall continue to be
56 available for expenditure during the fiscal year ending June 30, 2001.

57 (e) [Grants] Tobacco grants shall be made from the account
58 established pursuant to subsection (d) of this section by the Secretary
59 of the Office of Policy and Management in consultation with the
60 speaker of the House of Representatives, the president pro tempore of
61 the Senate, the majority leader of the House of Representatives, the
62 majority leader of the Senate, the minority leader of the House of
63 Representatives, the minority leader of the Senate, and the
64 cochairpersons and ranking members of the joint standing committees
65 of the General Assembly having cognizance of matters relating to
66 public health and appropriations and the budgets of state agencies, or
67 their designees. Such grants shall be used to reduce tobacco abuse
68 through prevention, education, cessation, treatment, enforcement and
69 health needs programs.

70 Sec. 2. Section 27 of public act 99-2 of the June special session is
71 repealed and the following is substituted in lieu thereof:

72 (a) There is created a Tobacco and Health Trust Fund which shall be
73 a separate nonlapsing fund. The purpose of the trust fund shall be to
74 create a continuing significant source of funds to (1) support and
75 encourage development of programs to reduce tobacco abuse through
76 prevention, education and cessation programs, (2) support and
77 encourage development of programs to reduce substance abuse, and
78 (3) develop and implement programs to meet the unmet physical and
79 mental health needs in the state.

80 **(b)** The trust fund may accept transfers from the Tobacco Settlement
81 Fund and may apply for and accept gifts, grants or donations from
82 public or private sources to enable the trust fund to carry out its
83 objectives.

84 **(c)** The trust fund shall be administered by a board of trustees which
85 shall consist of seventeen trustees. The appointment of the initial
86 trustees shall be as follows: (1) The Governor shall appoint four
87 trustees, one of whom shall serve for a term of one year from July 1,
88 2000, two of whom shall serve for a term of two years from July 1,
89 2000, and one of whom shall serve for a term of three years from July 1,
90 2000; (2) the speaker of the House of Representatives and the president
91 pro tempore of the Senate each shall appoint two trustees, one of
92 whom shall serve for a term of two years from July 1, 2000, and one of
93 whom shall serve for a term of three years from July 1, 2000; (3) the
94 majority leader of the House of Representatives and the majority
95 leader of the Senate each shall appoint two trustees, one of whom shall
96 serve for a term of one year from July 1, 2000, and one of whom shall
97 serve for a term of three years from July 1, 2000; (4) the minority leader
98 of the House of Representatives and the minority leader of the Senate
99 each shall appoint two trustees, one of whom shall serve for a term of
100 one year from July 1, 2000, and one of whom shall serve for a term of
101 two years from July 1, 2000; and (5) the Secretary of the Office of Policy
102 and Management, or the secretary's designee, as an ex-officio voting
103 member. Following the expiration of such initial terms, subsequent
104 trustees shall serve for a term of three years. The trustees shall serve
105 without compensation except for reimbursement for necessary
106 expenses incurred in performing their duties. The board of trustees
107 shall establish rules of procedure for the conduct of its business which
108 shall include, but not be limited to, criteria, processes and procedures
109 to be used in selecting programs to receive money from the trust fund.
110 The trust fund shall be within the Office of Policy and Management for
111 administrative purposes only.

112 **(d)** (1) During the period commencing July 1, 2000, and ending June
113 30, 2005, the board of trustees, by majority vote, may recommend

114 authorization of disbursement from the trust fund for the purposes
115 described in subsection (a) of this section and section 3 of this act,
116 provided the board may not recommend authorization of
117 disbursement of more than fifty per cent of net earnings from the
118 principal of the trust fund for such purposes. For the fiscal year
119 commencing July 1, 2005, and each fiscal year thereafter, the board
120 may recommend authorization of the net earnings from the principal
121 of the trust fund for such purposes. The board's recommendations
122 shall give (A) priority to programs that address tobacco and substance
123 abuse and serve minors, pregnant women and parents of young
124 children, and (B) consideration to the availability of private matching
125 funds. Recommended disbursements from the trust fund shall be in
126 addition to any resources that would otherwise be appropriated by the
127 state for such purposes and programs.

128 (2) The board of trustees shall submit such recommendations for the
129 authorization of disbursement from the trust fund to the joint standing
130 committees of the General Assembly having cognizance of matters
131 relating to public health and appropriations and the budgets of state
132 agencies. Not later than thirty days after receipt of such
133 recommendations, said committees shall advise the board of their
134 approval, modifications, if any, or rejection of the board's
135 recommendations. If said joint standing committees do not concur, the
136 speaker of the House of Representatives, the president pro tempore of
137 the Senate, the majority leader of the House of Representatives, the
138 majority leader of the Senate, the minority leader of the House of
139 Representatives and the minority leader of the Senate each shall
140 appoint one member from each of said joint standing committees to
141 serve as a committee on conference. The committee on conference shall
142 submit its report to both committees, which shall vote to accept or
143 reject the report. The report of the committee on conference may not be
144 amended. If a joint standing committee rejects the report of the
145 committee on conference, the board's recommendations shall be
146 deemed approved. If the joint standing committees accept the report of
147 the committee on conference, the joint standing committee having

148 cognizance of matters relating to appropriations and the budgets of
149 state agencies shall advise the board of said joint standing committees'
150 approval or modifications, if any, of the board's recommended
151 disbursement. If said joint standing committees do not act within thirty
152 days after receipt of the board's recommendations for the
153 authorization of disbursement, such recommendations shall be
154 deemed approved. Disbursement from the trust fund shall be in
155 accordance with the board's recommendations as approved or
156 modified by said joint standing committees.

157 (3) After such recommendations for the authorization of
158 disbursement have been approved or modified pursuant to
159 subdivision (2) of this subsection, any modification in the amount of an
160 authorized disbursement in excess of fifty thousand dollars or ten per
161 cent of the authorized amount, whichever is less, shall be submitted to
162 said joint standing committees and approved, modified or rejected in
163 accordance with the procedure set forth in subdivision (2) of this
164 subsection. Notification of all disbursements from the trust fund made
165 pursuant to this section shall be sent to the joint standing committees
166 of the General Assembly having cognizance of matters relating to
167 public health and appropriations and the budgets of state agencies,
168 through the Office of Fiscal Analysis.

169 (4) The board of trustees shall, not later than February first of each
170 year, submit a report to the General Assembly, in accordance with the
171 provisions of section 11-4a of the general statutes, that includes all
172 disbursements and other expenditures from the trust fund and an
173 evaluation of the performance and impact of each program receiving
174 funds from the trust fund. Such report shall also include the criteria
175 and application process used to select programs to receive such funds.

176 Sec. 3. (NEW) The Commissioner of Public Health and the
177 Commissioner of Mental Health and Addiction Services shall, within
178 available appropriations, develop a Tobacco Abuse Reduction and
179 Health Plan and shall submit such plan to the joint standing
180 committees of the General Assembly having cognizance of matters

181 relating to public health and appropriations and the budgets of state
182 agencies, not later than April 1, 2001. The plan shall consider and
183 recommend actions to (1) reduce tobacco and substance abuse, and (2)
184 address the unmet physical and mental health needs of the state,
185 taking into account the most recent version of the state health plan
186 prepared by the Department of Public Health pursuant to section 19a-7
187 of the general statutes.

188 Sec. 4. (NEW) There is created a Biomedical Research Trust Fund
189 which shall be a separate nonlapsing fund. The trust fund may accept
190 transfers from the Tobacco Settlement Fund and may apply for and
191 accept gifts, grants or donations from public or private sources to
192 enable the account to carry out its objectives. On and after July 1, 2001,
193 the Commissioner of Public Health may make grants-in-aid from the
194 trust fund to eligible institutions for the purpose of funding biomedical
195 research in the fields of heart disease, cancer and other tobacco-related
196 diseases. For the fiscal year ending June 30, 2002, the total amount of
197 such grants-in-aid made during the fiscal year shall not exceed two
198 million dollars. For the fiscal year ending June 30, 2003, and each fiscal
199 year thereafter, the total amount of such grants-in-aid made during the
200 fiscal year shall not exceed fifty per cent of the total amount held in the
201 trust fund as of the date such grants-in-aid are approved. Not later
202 than April 1, 2001, the Commissioner of Public Health shall develop an
203 application for grants-in-aid under this section and may receive
204 applications from eligible institutions for such grants-in-aid on and
205 after said date. For purposes of this section, "eligible institution" means
206 (1) a nonprofit, tax-exempt academic institution of higher education, or
207 (2) a hospital that conducts biomedical research."